

Hudsonville Public Schools

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Comments on SB 770, 771, 772, and 870

The Honorable Chairperson Kahn, Vice Chair Moolenaar, Minority Vice Chair Anderson and members of the Appropriation's Committee...

Thank you for the opportunity to provide comment on the SB 770, 771, 772 and 870.

First, let me say that it is an honor to be before you today to discuss proposed legislation that will have a monumental impact on Michigan Public School Facilities. In order to begin our conversation, please allow me an opportunity to share Hudsonville Public School's story.

Hudsonville is a community located in Ottawa County approximately 15 minutes Southwest of Grand Rapids. Famous for Hudsonville Ice Cream and strong agricultural roots, the community of Hudsonville has evolved in a short amount of time. In 1986, Hudsonville Public Schools was a small rural school with a student population of approximately 2,300 students. At the time, our district operated six elementary buildings, one Junior High School and one 780-student High School.

Over the last 26 years, the population of Hudsonville has exploded. Hudsonville Public Schools has reaped the rewards of an expanding manufacturing, service industry and housing start ups. Our school district, over past 26 years, has nearly tripled in size. Today, we have an enrollment of almost 6,100 students and operate seven elementary, two middle schools, one Freshman Campus, and one 1600-student high school.

We are convinced, that the addition of the three new buildings and additions to each of the existing buildings constructed over this time period would not have been possible without the support of the School Bond Loan Fund and the School Bond Revolving Fund. In 1994, Hudsonville Public Schools first entered the School Bond Loan Fund to help design and build one building with renovations to 4 others. In 2004, Hudsonville again called upon the SBLF to build two new facilities with renovations to 2 others. And most recently, this past May we utilized the School Bond Revolving Fund to approve the construction of three new school facilities with the renovation of several others.

If the School Bond Loan Fund or School Bond Revolving Fund was not in existence or was limited as being discussed through this legislation the citizens of Hudsonville Schools would have been asked to incur approximately \$3 million in additional taxes annually which would have raised the millage rate to 9.7 mils. We feel blessed to live in a community that has a long-standing history of supporting their public schools, however, we are not convinced that a proposal with an additional 2.7 mills would have been acceptable to our voters. Then the question becomes, where do the students go and what is our legal responsibility as a school district or as a state to provide adequate school facilities? Moreover, what about those districts that are located in communities where the support is not as apparent.

Honorable Senators, I do not envy your task. You are charged with an awesome responsibility to balance a budget, provide necessary programing, and insure the state's constitution is being honored. I would respectfully suggest that the proposed legislation to greatly limit, restrict and close off borrowing by capping the fund to \$1.8 billion might call into question a violation of the Michigan Constitution Article 9, Section 16, which requires the state to lend to districts if they exceed the minimum levy set forth in the SBLF. By conservative estimates, this legislation would end all districts ability to levy by October 2013 for the next 30 years.

Moreover, if you look at the totality of the School Bond Loan Program and what the state is spending to support school infrastructure, one can conclude that program is a conservative approach to a much larger issue. Many States across the Nation are grappling with lawsuits pertaining to their State's Constitutional obligation to support equitable education to all, which includes facilities. In a comprehensive state-by-state assessment of school infrastructure needs, Michigan ranks 8th out of 50 states with approximately \$8.8 billion infrastructure needs (Crampton & Thompson 2008). States such as New York, Arkansas, New Jersey, Ohio, and most recently Alaska have court orders to address Public School Infrastructure needs to the tune of well over \$10 billion dollars in totality.

When we analyze our current obligation to support the School Bond Loan Program, the growth in the cost to school aid fund is minimal in the near term. In 2017 the increase cost that this legislation would limit is only \$5 per student. Additionally, in the worst year the total borrowing cost coming from the school aid fund will still only be 5% of total borrowing for infrastructure -- which is much cheaper than the 50% subsidy the state provides in the capital outlay process to universities and community colleges.

Given the state's current investment and established program, it would appear the most prudent option would be not to subject the state to potential liability given the extreme need for infrastructure improvements. While Hudsonville is only but one school that has benefited from the State program, passing this legislation puts the State in great risk by greatly limiting the State's obligation to support school infrastructure across the State.

It has been an honor to share with you Hudsonville's story. I appreciate your time, and thank you for your consideration. I would be happy to field any questions you may have.